VVC
Vantec Ventures
Corporation

Annual Report 1990

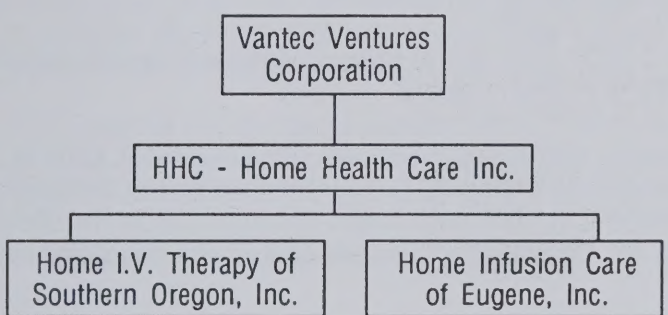
The Company

Vantec Ventures Corporation, a Canadian healthcare corporation, invests in and manages health services companies that offer innovative and cost-effective "alternate site" health care.

Vantec Ventures Corporation owns and operates home infusion therapy companies, providing intravenous and nutritional therapy support services through specialized pharmacy and nursing services, to acute, chronic and terminally ill patients in the home setting.

The Common Shares of Vantec Ventures Corporation are listed on The Alberta Stock Exchange under the symbol VVC.

Corporate Structure



Corporate Mission

The Company's seeks out investment and management opportunities in health care, focusing on emerging "alternative site" health care.

The Company's corporate mission in the home infusion therapy industry is to profitably provide a comprehensive home care program that offers intravenous and nutritional therapy services in support of the physician's treatment program.

"Alternate site" health care is defined as all forms of out-of-hospital care and services. The Company's areas of involvement and interest includes home infusion therapy, specialized pharmacy services to long term care facilities and home care services.

Highlights

Corporate

- From investment banking to healthcare
- Reverse takeover of Vantec Ventures Corporation by HHC - Home Health Care Inc. completed December 12, 1990
- Acquisitions
  - HHC - Home Health Care Inc., a Canadian home infusion therapy company and its subsidiary companies,
  - Home I.V. Therapy of Southern Oregon, Inc., a leading provider of home intravenous therapy and nutrition support services
  - Home Infusion Care of Eugene, Inc., a provider of home parenteral and enteral therapy services in Oregon
- Completed private placement for $300,000 in December, 1990

Operating

- Introduction of corporate management philosophy, policies and systems for improved control of operations and costs.
- Integration of management and operational responsibilities between Oregon companies for improved quality of services, increased control and efficiencies.
- Enhanced financial, budgetary, billings and collections, and reporting systems introduced.

Financial

Unaudited financial results for the year

	1990 Unaudited	1989 Unaudited
Gross Revenue	$1,560,930	$ 730,039
Net Loss	488,928	296,554
Shareholder's Equity	$ 191,345	(201,541)
Total Assets	1,083,568	388,283
Common Shares Outstanding	26,968,250	10,355,485

To Our Shareholders

A promising new direction into healthcare was established by the Company late in 1990 by way of a reverse takeover and a financing by way of private placement for $300,000. The Company disposed of its investment in a building supply business and other interests to pursue this opportunity.

Healthcare is a stable noncyclical $750 billion industry in North America. Public, legislative and economic impetus is causing the industry to be more responsive in meeting the economic realities of the 1990's.

Traditional forms of healthcare delivery which are "hospital based" are being replaced with a wide range of "alternative site" healthcare services or "out-of-hospital" services. This shift in healthcare resource allocation is directly related to our aging population, society's expectations, economics and regulation of the healthcare system. Rapid advances in medical technology and health services delivery have accelerated the emphasis on "alternative site" healthcare in North America.

Changes introduced in hospital reimbursement methods in the United States in the early 1980's have ensued in the development of a major home healthcare industry. This shift in healthcare resources and healthcare delivery from hospital to home has not occurred in Canada due to lack of reimbursement incentives. Provincial governments are actively testing new methods of reimbursement and possible privatisation of healthcare services. We expect this shift in healthcare priorities would be opportune for the Company.

The Company is a result of a reverse takeover by HHC - Home Health Care Inc., which in turn owns the following home infusion therapy companies: Home I.V. Therapy of Southern Oregon, Inc. and Home Infusion Care of Eugene, Inc. These companies were founded by Ronald L. Rennick, M.D., a Canadian physician and his wife, Lynne Rennick, a Registered Nurse, in 1986 and 1988 respectively. Through their efforts, expert clinical staff were recruited and special services developed. The companies are recognized as leaders in the Oregon home infusion therapy industry today.

Our home infusion therapy companies operate as franchises of O.P.T.I.O.N. Care, Inc. of Chico, California, America's largest network of home infusion therapy services with 186 offices and $110 million in annual revenues.

On December 18,1990, the Company announced that it had a preliminary agreement in principle with O.P.T.I.O.N. Care, Inc. of Chico, California ("OCI"), a franchisor of home infusion therapy services, to acquire 10 O.P.T.I.O.N. Care offices, to develop 10 new O.P.T.I.O.N. Care offices in the United States and to acquire the Canadian development rights for O.P.T.I.O.N. Care. OCI has recently undergone a change in ownership and management and the Company has been advised that the preliminary agreement in principle will not proceed as planned.

Management is exploring alternatives, including the possible sale of its subsidiary corporations, Home I.V. Therapy Care of Southern Oregon, Inc. and Home Infusion Care of Eugene, Inc. and the possible acquisition of a U.S. corporation offering contract pharmacy services to residents of long-term care facilities in the Pacific Northwest.

The Company has assembled directors and management who are leaders in the business, financial and healthcare communities with the background and ability to build and operate a major healthcare corporation. The Company wishes to introduce your new directors: Richard S. Rennick, Partner, Rennick and DiPinto, a law firm, and President of the sole parent of the Steeplejack Group of companies; Andrew G. Dobrodzicki, former hospital administrator and CEO of ExtraCare Corporation; and Ronald L. Rennick, M.D., a practising physician in Oregon.

Your Company has appointed the following officers: Richard S. Rennick as Chairman and Chief Executive Officer; Andrew G. Dobrodzicki as President and Chief Operating Officer; Ronald L. Rennick, M.D. as Vice-President - Clinical Affairs; and J.R. MacDonald as Corporate Secretary.

We believe our growth and development strategy, strong financial links and experienced management give Vantec Ventures Corporation a promising future in this dynamic healthcare environment.

Richard S. Rennick,
Chairman and Chief Executive Officer

Andrew G. Dobrodzicki, B.Sc., M.H.A.,
President and Chief Operating Officer

Corporate Strategy and Development

Healthcare is a $750 billion industry in North America ($65 billion in Canada) with over $2,500 per person expended annually. Healthcare expenditures amount to approximately 12% of Gross National Product in the United States (significantly less in Canada, approximately 9%). While our healthcare industry is experiencing steady growth in excess of 12% per annum, expenditures on hospitals and physician services are proportionately less, with home care expenditures proportionately more.

Our society is aging and the elderly (aged 65 and over) consume a disproportionate share of healthcare resources. The elderly represent 13% of our population but consume an estimated 45% of the healthcare dollar. Less than $1 out of every $10 is spent on "alternate site" healthcare services. This demographic bulge and consumption pattern has focused the attention of payors to examine more cost-effective and traditional methods of insurance and reimbursement.

The Company was formed to respond to the challenges and the opportunity in the healthcare industry. We identified the fastest growing segment of the healthcare industry, home infusion therapy (25% annual growth) as a targeted forum for the Company's activities.

The long-term strategic plan for the Company is to seek acquisitions that offer synergistic benefits to the current scope of corporate operations and management expertise.

Operations Review

HHC- Home Health Care Inc.

Since 1986, HHC - Home Health Care Inc. of Edmonton, Alberta has researched the North American home intravenous therapy market and has been involved in the development and management of infusion therapy clinics in Oregon. HHC was formed to market the O.P.T.I.O.N. Care services to hospitals, home care programs and provincial health departments in Canada and to identify investment and development opportunities with O.P.T.I.O.N. Care, Inc. in the U.S. home infusion therapy market. The Company owns and operates the subsidiary companies, Home I.V. Therapy of Southern Oregon, Inc. and Home Infusion Care of Eugene, Inc.

Home I.V. Therapy of Southern Oregon, Inc.

Home I.V. Therapy of Southern Oregon, Inc., doing business as O.P.T.I.O.N. Care of Southern Oregon, is a major provider of home infusion therapy services including intravenous therapy and nutrition support services. The company provides comprehensive pharmacy and nursing services, products and therapeutic management 24 hours per day to appropriate medically stable patients. Patient care is under the direction of a physician. The company operates under a franchise agreement with O.P.T.I.O.N. Care, Inc. of Chico, California which requires the company to pay the franchisor annual royalties on net patient service revenue.

Since incorporation in 1986, the company has experienced steady growth in patient volume to today's average caseload of 65 home patients in service at any one time. Located in Medford, Oregon near the California border, the catchment area served of 150,000 includes approximately 50,000 in the Medford area and another 100,000 population served in the south/central Oregon area from Brookings, to Crescent City on the coast and from Roseburg to Klamath Falls.

Patients are typically referred from hospitals, physicians, and home health agencies. Physician referrals are primarily in the medical specialties of Infectious Diseases, Gastroenterology, Oncology, General Surgery and Cardiology.

Cost-effective home infusion therapy services provided by the company include: Intravenous Antibiotic Therapy, Chemotherapy, Continuous Infusion for Pain Management, Hydration and Electrolyte Therapy, Prolastin Therapy, Enteral Nutrition and Total Parenteral Nutrition. Typical patients receiving home infusion therapy services may have the following diagnoses: Infections, Cancers, Crohn's Disease, Short Bowel Syndrome, Cellulitis, Osteomyelitis, AIDS, Cystic Fibrosis, Septic Arthritis and Stroke. Average age of patients is 60 with a range in ages between 2 and 83.

The company has preferred provider contracts for home I.V. services with Oregon Health Sciences University, Portland, home health agencies and third party payors including insurance companies and health maintenance organizations. Payor mix is approximately 40% Medicare, 20% Oregon Department of Human Resources Adult and Family Services Division (Welfare), 30% third party payors and 10% private pay. Insurance carriers including Medicare Part B are billed directly for services. Patients are billed for services and/or remaining balances.

Payors are billed usual and customary charges which are based on a mark-up of average wholesale price of the drugs, supplies and cost of nursing services. The Company has in place with third party payors contract prices which are negotiated on the basis of a per diem charge for all services provided. The company experiences an allowance for doubtful accounts of 40% for Medicaid/AFS, 32% for Medicare and 16% for third party payors.

Competition in Medford is mainly from the home I.V. therapy services of the two local non-profit hospitals and a local provider.

The company employs approximately 15 full and part-time management, clinical and support staff including the departments of Nursing, Pharmacy, Marketing, Business Office and Materials Management.

Home Infusion Care of Eugene, Inc.

Home Infusion Care of Eugene, Inc., operating as O.P.T.I.O.N. Care of Eugene, was founded in 1988. Located in Eugene, OR, this community of 150,000 in central Oregon enjoys sophisticated medical referral and university facilities normally found in larger metropolitan areas. The company also provides comprehensive pharmacy and nursing services, products and therapeutic management 24 hours per day to appropriate medically stable patients. The company operates under a franchise agreement with O.P.T.I.O.N. Care, Inc. of Chico, California which requires the company to pay the franchisor annual royalties on net patient service revenue.

The catchment area served in central Oregon includes a population base of approximately 250,000 from Roseburg to Salem to the coast. The company has 23 patients on service.

Patients are referred from physicians in the community, primarily general practitioners and some specialists.

Home infusion therapy services provided by the company include: Intravenous Antibiotic Therapy, Chemotherapy, Continuous Infusion for Pain Management, Hydration and Electrolyte Therapy, Enteral Nutrition and Total Parenteral Nutrition. Typical patients receiving home infusion therapy services may have the following diagnoses: Cellulitis, Osteomyelitis, AIDS, Cystic Fibrosis and Septic Arthritis. Average age of patients is 65 with a range in ages between 5 months and 85.

The company has preferred provider contracts for home I.V. services with Oregon Health Sciences University, Portland, and third party payors including insurance companies. Payor mix is approximately 60% Medicare, 30% Oregon Department of Human Resources Adult and Family Services Division (Welfare), and 10% third party payors. All insurance carriers are billed directly for services.

Payors are billed usual and customary charges which are based on a mark-up of average wholesale price of the drugs, supplies and cost of nursing services. Contract prices are negotiated on the basis of a per diem charge for all services provided. The company experiences an allowance for doubtful accounts of 50% for Medicaid/AFS, 50% for Medicare and 20% for third party payors.

Competition in Eugene is strong from the home I.V. therapy services of the major non-profit referral hospital in Eugene and two local providers.

The company employs approximately 6 full and part-time clinical and support staff including the departments of Nursing, Pharmacy, and Business Office.

Auditors' Report To The Shareholders

We have audited the consolidated balance sheet of Vantec Ventures Corporation as at December 31, 1990 and the consolidated statements of loss, deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We were not appointed auditors until after December 31,1990, and thus did not observe the taking of physical inventories at either the beginning of the year or the end of the year and were not able to satisfy ourselves concerning those inventory quantities by alternative means. Also, our audit did not extend to an examination of balances at the beginning of the year. Since opening balances and closing inventories enter into the determination of the results of operations and changes in financial position, we were unable to determine whether adjustments were required in respect of closing inventories and the components making up the statements of loss, deficit and changes in financial position.

In view of the possible material effects of the matters described in the proceeding paragraph, we are unable to express an opinion whether the consolidated statements of loss and deficit and changes in financial position are presented fairly in accordance with generally accepted accounting principles. Further, in our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to examine closing inventory quantities, as described in the proceeding paragraph, the consolidated balance sheet presents fairly, in all material respects, the financial position of the company as at December 31, 1990 in accordance with generally accepted accounting principles.

Coopers & Lybrand

Chartered Accountants
April 9, 1991

Consolidated Balance Sheet

December 31, 1990

ASSETS	1990	1989 (Unaudited)
Current Assets		
Cash	$ 199,255	$ 7,296
Accounts receivable	619,305	215,250
Inventory	134,140	58,000
Prepaid expenses	7,130	2,218
	959,830	282,764
Fixed Assets		
Medical and office equipment, net of accumulated depreciation of $66,796	78,866	57,971
Franchise Fees - net of accumulated amortization of $8,778	44,872	47,548
	$ 1,083,568	$ 388,283
LIABILITIES		
Current Liabilities		
Bank indebtedness - Note 4	$ 345,680	$ –
Accounts payable and accrued liabilities	301,445	117,824
Current portion of long-term debt - Note 5	145,061	131,245
Deferred taxes - Note 2	51,181	–
	843,368	249,069
Long-Term Debt - Note 5	48,855	81,727
Advances From Related Parties	–	259,028
	892,223	589,824
Commitments - Note 6		
Shareholders' Equity		
Capital Stock- Note 7	1,110,714	33,450
Deficit	(919,369)	(234,991)
	191,345	(201,541)
	$ 1,083,568	$ 388,283

Signed on behalf of the Board

Director

Director

Consolidated Statement of Loss and Deficit

For the Year Ended December 31, 1990

	1990	1989 (Unaudited)
Revenue	$ 1,560,930	$ 730,039
Cost of Sales	1,121,401	565,748
Gross Margin	439,529	164,291
Expenses		
Bad debts	186,832	70,827
Office	137,739	98,972
Royalties	130,677	86,611
Rent	104,849	41,422
Professional fees	77,868	14,139
Interest	72,854	33,301
Outside services	46,942	5,880
Advertising and promotion	43,676	38,121
Consulting fees	29,822	12,625
Salaries and employee benefits	26,854	35,233
Depreciation and amortization	24,067	27,639
Operating supplies	13,725	–
	895,905	464,770
Other Income	18,630	3,925
Loss Before Income Taxes	437,746	296,554
Income Taxes - deferred - Note 2	51,182	–
Net Loss for the Year	488,928	296,554
Deficit at Beginning of the Year	234,991	(61,563)
Distribution to Shareholder - Note 8	195,450	–
Deficit at End of the Year	$ 919,369	$ 234,991
Loss per Share	$ .072	$ .052

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 1990

CASH PROVIDED FROM (USED IN)	1990	1989 (Unaudited)
Operating Activities		
Net loss for the year	$ (488,928)	$ (296,554)
Charges to earnings not affecting cash		
Depreciation and amortization	24,067	27,639
Deferred income taxes	51,182	–
	(413,679)	(268,915)
Net change in non-cash components of working capital	(294,687)	89,721
	(708,366)	(179,194)
Investing Activities		
Purchase of fixed assets	(42,285)	(95,792)
Business acquisitions	(319,328)	–
Cash of acquired business	157,249	–
Proceeds on disposal of fixed assets	–	16,925
	(204,364)	(78,867)
Financing Activities		
Net decrease in long-term debt	(19,625)	83,319
Proceeds on share issues	1,077,264	15,950
Advances from related parties	572,455	68,258
Conversion of advances to share capital	(675,635)	–
Distribution to shareholder	(195,450)	–
	759,009	169,527
Decrease in Cash	(153,721	(88,534)
Cash at Beginning the Year	7,296	95,830
(Bank Indebtedness) at End of the Year	$ (146,425)	$ 7,296
(Bank Indebtedness) Consists Of:		
Cash	$ 199,255	7,296
Bank indebtedness	$ (345,680)	$ –
	$ (146,425)	$ 7,296

Notes to Consolidated Financial Statements

1. Future Operations

These consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The company has a deficit at December 31, 1990 and the ability of the company to continue operations as a going concern is dependent upon achieving a profitable level of operations and maintaining adequate financing of its operations. Uncertainty exists as to whether this can be achieved.

The company may dispose of its existing O.P.T.I.O.N. Care businesses and pursue an alternative opportunity with the O.P.T.I.O.N. Care network. This plan would include the acquisition of specialized pharmacy operations which are directly related to the home infusion therapy business. The amount realized for the disposition of assets may be materially less than the amounts appearing on the balance sheet.

These consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the company be unable to continue to realize its assets and discharge its liabilities in the normal course of business.

2. Accounting Policies

(a) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using first-in, first-out method.

(b) Franchise Fees

The franchise fees are amortized using the straight-line method over the life of the franchise agreements, which is 20 years.

(c) Fixed Assets

Fixed assets are recorded at cost and are depreciated over estimated useful lives of five to seven years using the declining balance method.

(d) Foreign Currency Translation

The subsidiaries in the United States are integrated foreign operations. The temporal method is used to translate the transactions and balances of the subsidiaries as well as the transactions and balances of the company that are denominated in foreign currencies. Under this method, monetary assets and liabilities are translated at the year-end exchange rate; other non-monetary items are translated at their historical exchange rates. Revenues and expenses are translated at weighted average exchange rates, except depreciation and amortization, which are translated at the historical exchange rates applicable to the related fixed assets. Exchange adjustments on long-term debt are deferred and amortized to income over the remaining life of the debt. All other exchange gains or losses are recognized currently in earnings.

(e) Deferred Income Taxes

Deferred income taxes arise from reporting certain items for income tax purposes on bases which differ from accounting policies. Deferred taxes arise principally because the U.S. companies file income tax returns using the cash basis of accounting.

3. Business Combinations

(a) On December 12, 1990, a reverse takeover transaction occurred whereby the shareholders of HHC - Home Health Care Inc. (HHC) transferred 100% of their shares in HHC to Vantec Ventures Corporation. As consideration, the shareholders received 55% of the issued shares of Vantec Ventures Corporation.

The transaction has been accounted for as an acquisition by HHC and the purchase method has been used. Accordingly, these consolidated financial statements represent the continuation of the financial statements of HHC and include the results of operations of Vantec Ventures Corporation since the date of acquisition.

The cost of the acquisition was allocated to the net assets acquired on the basis of their fair value as follows:

Total assets	$ 387,301
Total liabilities	67,973
	$ 319,328

No goodwill has been recorded for accounting purposes.

Vantec Ventures Corporation issued 12,600,000 common shares to the HHC shareholders in exchange for 100% of the shares of HHC. In addition, 1,523,250 common shares were issued in exchange for personal guarantees provided by the shareholders.

(b) On December 12, 1990, immediately prior to the reverse takeover described above, HHC combined with two companies incorporated in the United States, Home Infusion Care of Eugene, Inc. and Home I.V. Therapy of Southern Oregon, Inc. These U.S. companies have purchased area franchises from O.P.T.I.O.N. Care, Inc. and provide in-home health and supportive services to patients. This combination has been accounted for using the pooling of interests method, therefore, these consolidated financial statements include results of operations for these companies since their inception.

HHC acquired 100% of the shares of the U.S. companies from a related party. As consideration, HHC issued 1,350,000 common shares, representing 46% of total issued share capital of HHC.

Net assets brought into the combination by each entity was as follows:

	HHC	U.S. Companies
Total assets	$ 216,290	$ 826,849
Total liabilities	–	1,165,116

Results of operations for the year ended December 31,1990 of each entity was as follows:

	HCC	U.S. Companies
Revenue	$ –	$1,560,930
Net loss	44,032	444,896

4. Bank Indebtedness

Bank indebtedness of $345,689 is payable in U.S. dollars and bears interest at U.S. bank prime rate plus 2%. It is due on demand and if no demand is made, it is due on September 1, 1991. Accounts receivable and personal guarantees of certain shareholders have been pledged as collateral.

5. Long-term Debt

	1990	1989 (unaudited)
Notes payable, O.PT.I.O.N. Care, Inc., payable in monthly aggregate instalments of $4,776 including interest at 12% due on November 1, 1991, with no collateral pledged	$ 90,040	$ –

5. Long-term Debt - continued

	1990	1989 (unaudited)
Note payable, Western Bank, payable in monthly instalments of $4,379 including interest at the U.S bank prime rate plus 2.5%, maturing August 1992, with accounts receivable and the personal guarantee of certain shareholders pledged as collateral.	$ 77,039	$ 212,972
Capital lease obligations, payable in monthly instalments of $1,075 including imputed interest at 18.8%, maturing August 1993, with collateral of medical equipment.	$ 26,837	$ –
	193,916	212,972
Less: Current portion	(145,061)	(131,245)
	$ 48,855	$ 81,727

Long-term debt is payable in U.S. dollars. Principal repayments over the next three years and in aggregate are as follows:

1991	$ 145,061
1992	42,106
1993	6,749
	$ 193,916

6. Commitments

(a) Royalties

The franchise agreement with O.P.T.I.O.N. Care, Inc. includes a provision which requires the company to pay the franchisor annual royalties on patient service revenue from 3% to 9% depending upon the level of revenue earned.

(b) Leases

Operating leases for office premises have been entered into in Eugene and Medford, Oregon. Estimated future minimum lease payments are as follows:

1991	$ 40,972
1992	24,466

7. Share Capital

Authorized

50,000,000 common shares

20,000,000 non-voting preferred shares, rights and restrictions to be determined upon issue

20,000,000 non-voting, redeemable preferred shares, rights and restrictions to be determined upon issue

Issued	1990
26,968,250 common shares	$ 1,110,714

As explained Note 3(a), these financial statements represent the continuation of the financial statements of HHC. Share capital transactions of HHC during the year were as follows:

(a) on December 7, 1990, the shares were split 11,760 for 1

(b) on December 7, 1990, shareholder loans of $323,528 were converted to 174,000 common shares

(c) on December 10, 1990, 234,782 common shares were issued for cash consideration of $50,000

7. Share Capital - continued

(d) on December 12, 1990, 1,350,000 common shares were issued to acquire the shares of two U.S. companies as explained in Note 2(b).

(e) On December 12, 1990, shareholder loans in the U.S. companies were converted to capital in the amount of $384,408 with no additional shares issued.

Under the principles of reverse takeover, the number and characteristics of authorized and issued share capital at December 31, 1990 is that of Vantec Ventures Corporation. This includes the issuance of 3,000,000 common shares for cash consideration of $300,000 on December 12, 1990.

Stock options were issued to directors on December 12, 1990 to acquire 2,525,000 common shares at $.166. The options expire in December, 1995. In addition, stock options to acquire 100,000 shares at $.12 are outstanding at year end and expire in July, 1994.

8. Distribution to Shareholder

In connection with the purchase of the U.S. subsidiaries on December 12, 1990, Home Infusion Care of Eugene, Inc. declared and paid a dividend to their sole shareholder, an individual. The dividend, in the amount of $195,450 was satisfied in the form of a cancellation of a note receivable which was due to the company from the shareholder.

9. Segmented Information

The company operates solely in the health care industry. During 1990 all of its revenues were derived from providing in-home health and supportive services to patients in the United States.

Assets and net operating results can be attributed to geographic areas as follows:

	Canada	United States	Total
Net loss for the year	$ 44,032	444,896	488,928
Assets	262,764	$ 820,804	$ 1,083 568

10. Income Taxes

The company has income tax losses which may be applied to taxable income of future years, the benefit of which has not been recognized in these financial statements.

Canadian losses expire as follows:

1993	$ 20,175
1994	219,422
1995	123,727
1996	84,720
1997	120,805

Losses incurred in the United States total $172,000 and may be applied against taxable income earned in the United States until 2005 for federal taxation purposes and until 1995 for state taxation purposes.

11. Comparative Figures

The 1989 comparative figures are unaudited and have been compiled by management. They have not been subject to review by an independent public accountant. These figures have been reclassified to confirm to current financial statement presentation.

VVC
Vantec Ventures Corporation

Corporate Directory

Directors

R. Keith Alexander
Edmonton, Alberta
Vice-President, RBC Dominion Securities/Pemberton

Andrew G. Dobrodzicki
Calgary, Alberta
President and Chief Operating Officer, Vantec Ventures Corporation

Federick Peacock
Calgary, Alberta
Director, Canadian Airlines Ltd.
President, F.H. Peacock Investments Inc.

Hugh Planche
Calgary, Alberta
President of Hugh Planche Holdings, former Alberta Minister of Economic Development

Ronald L. Rennick
Brookings, Oregon
a practising physician and Vice-President Clinical Affairs, Vantec Ventures Corporation

Richard S. Rennick
Edmonton, Alberta
Partner, Rennick and DiPinto
President of sole parent of Steeplejack Group of Companies

Lawrence G. Ryckman
Calgary, Alberta
President and CEO, Archer Communications Inc. and Chairman of General Leisure Corporation

Larry R. Shaben
Edmonton, Alberta
President of Shaben World Enterprises and former Alberta Minister Economic Development, Trade, Housing and Telephones

William L.C. Sturgeon
Edmonton, Alberta
President, Airgas Canada Inc., former Member of Premier's Commission on Future Health Care of Albertans

Shareholder Information

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Calgary Fax: (403) 262-5899

Auditors

Coopers & Lybrand
Chartered Accountants
Edmonton and Calgary, Alberta

Transfer Agent

Royal Trust
Calgary, Alberta

Legal Agent

Cook, Duke, Cox
Edmonton and Calgary, Alberta

Banker

Canadian Western Bank,
Edmonton, Alberta

Share Information

Shares Issued and Outstanding: 26,968,250

Stock Exchange Listing

The Alberta Stock Exchange

Trading Symbol VVC

Subsidiary Companies

HHC - Home Health Care Inc.

Home I.V. Therapy of Southern Oregon, Inc.

Home Infusion Care of Eugene, Inc.

VVC
Vantec Ventures
Corporation

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